

15 February 2024

Shuka Minerals Plc
("Shuka" or the "Company")

Settlement of legacy dispute with Upendo Group.

Shuka Minerals Plc (AIM: SKA), an African-focused mine operator and developer, is pleased to announce that it has signed a definitive settlement agreement with Upendo Group who hold a historic residual 10% interest in the Rukwa coal mining licence.

Upendo Group Settlement

The Company has signed a definitive settlement agreement with Upendo Group ("Upendo") who hold a residual 10% interest in the Rukwa coal mining licence. The dispute with Upendo, regarding the interpretation of the "residual" interest entitlements comprise, has been dragging on for many years. Upendo had obtained a judgement for \$110,000, with interest and costs and \$108,000 was previously lodged by the Company with the Court in Tanzania, as announced on 30 June 2023. Upendo was also seeking further amounts, including a potential claim for 10% of all gross sales revenue from Rukwa, both historically and going forward. The dispute has been vigorously defended and where necessary/appropriate appealed by the Company in the Tanzanian courts. It has been taking time, management resources and causing reputational and relationship damage to the Company in-country. As a result, the Board believes that a settlement drawing a line under the dispute is the most appropriate route forward.

The settlement involves the immediate payment to Upendo Group of \$110,000, the immediate settlement of all proceedings and a waiver of all or any related claims by all parties howsoever arising. The Company will use the funds already lodged in Court to meet the majority of the settlement costs. In addition, Upendo will have a right to nominate a director to be appointed to the local Rukwa operating subsidiary which currently has 5 directors nominated by the Company, and Upendo will earn a royalty of \$1.95 per tonne of coal from Rukwa sold and paid for by the customers of the Company from the date of the settlement. Upendo agree to communicate the settlement to all the relevant authorities in Tanzania. The settlement agreement provides that the royalty described above and the right to nominate a Board member to the local company are the only rights attaching to the Upendo residual interest in the licence.

Noel Lyons Chief Executive Officer, Shuka Minerals Plc said:

"We are very pleased to have achieved the amicable settlement with Upendo, as it enables us to review and determine the strategic direction of our coal mining interests at Rukwa, without the prospect of an overhanging legacy dispute. This clears the way for us to be more decisive and cohesive in our future decisions."

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